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# First State Bank

MEMBER FDIC

September 12, 2005

FDIC  
San Francisco Regional Office  
Regional Director John F. Carter  
25 Jessie Street at Ecker Square Suite 2300  
San Francisco, California 94105

Dear Mr. Carter,

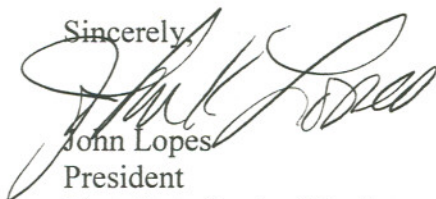
I am a community banker in Joplin, Missouri and am writing in opposition of Wal-Mart's efforts to gain an Industrial Loan Company status. Mixing banking and commerce is a bad idea and is in complete contrast to the intention of the Gramm-Leach-Bliley Act.

I have personally seen the effects of Wal-Mart operating in a small to mid sized market in the Midwest. Where there were once multiple "mom & pop" hardware stores, grocery stores & vision centers there is now Wal-Mart for your every need. Those American dreams have been crushed by the impact of volume pricing which entrepreneurs struggle to compete. The realization of the large empty boxes Wal-Mart has left stranded roadside while they move on to their next Super Center leaves a pit in my stomach.

Wal-Mart has a history of de-stabilizing communities. With its vast resources, it could drive out community banks like it has driven out our "mom & pop" stores. Where would this leave our communities? The answer: In the hands of Wal-Mart!

I respectfully request the denial of Wal-Mart's request for an ILC status.

Sincerely,



John Lopes  
President

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**First State Bank** AM 10 13

MEMBER FDIC

September 14, 2005

FDIC – San Francisco Regional Office  
Attn: John F. Carter  
25 Jessie St at Ecker Square, Suite 2300  
San Francisco, CA 94105

RE: Wal-Mart's Application for FDIC Insurance

Dear Sir:

I am writing today as a concerned citizen and banker from a community bank located in southwest Missouri. I know that Wal-Mart has been trying for years to enter the banking industry, and impose its infamous retail based "low-cost, high volume" philosophy. The evidence is clear that the company's methodologies and strategies have worked well over the years as the company continues to be very profitable. However, this profit has a cost and the people I see bearing this cost are Wal-Mart's direct competitors and suppliers. There are several examples that indicate how Wal-Mart has used its overall financial strength as leverage to force its suppliers to cut cost in order to place products on the shelves at Wal-Mart. Some companies have even been forced out of business because they simply could no meet Wal-Mart's demanded price and still make a profit. Wal-Mart will always find a company that will meet the price they set and may look overseas, if necessary, to find a better "deal". How does this apply to Wal-Mart's application to enter the banking industry? It will begin by Wal-Mart capitalizing on its captive audience in the retail stores, the current shoppers, offering them the products they outlined in their application for insurance, but soon it will become much broader.

Currently, Wal-Mart requires that anyone that does business with them to have a presence in northwest Arkansas, but that requirement may expand. I understand that Wal-Mart's application indicates they only "plan" to offer deposit accounts along with consumer credit cards. This initial plan will likely change in the future with Wal-Mart Bank offering both consumer and commercial credit facilities, and maybe even making it necessary for all suppliers to bank with Wal-Mart in order to keep their relationship, again another "captive" audience. But let's say that a supplier to Wal-Mart now has all of its banking relationships with Wal-Mart, and Wal-Mart is this supplier's only customer of the widget it produces. Now let's assume that Wal-Mart wants the supplier to cut the price of its widget, but the supplier can not afford the demanded price cut. Wal-Mart then finds another company that will sell the widget for Wal-Mart's new price. The original supplier, who by the way had a Line-of-Credit through Wal-Mart Bank to fund its operating cycle, now can not make its debt payment to Wal-Mart Bank and defaults on the obligation. Wal-Mart is not concerned about any losses because the additional profit margin gained on the widget the new supplier is selling absorbs the potential loss on the loan obligation.

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# First State Bank

MEMBER FDIC

This type of conduct jeopardizes the safety and soundness of the "banking" operation of Wal-Mart Bank and is the underlying problem associated with mixing banking and commerce. Additionally, the ability for Wal-Mart, the bank, to be impartial on credit decisions that involve a retailer that directly competes with Wal-Mart becomes questionable. The idea of this retailing giant entering the financial world as a competitor is personally unsettling as a consumer and banker. Please carefully consider my thoughts while making your decision to grant Wal-Mart's request.

Sincerely,

Brandon Davis  
Assistant Vice-President  
First State Bank of Joplin  
P O Box 1373  
Joplin, MO 64802  
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# First State Bank

MEMBER FDIC

September 13, 2005

FDIC  
San Francisco Regional Office  
Director: Johns F. Carter  
25 Jesse St. at Ecker Square, Suite 2300  
San Francisco, CA. 94105

Re: WalMart's application for deposit insurance

Dear Sirs,

Please help us keep WalMart out of the banking industry. If the application for insurance were approved, within a very short period of time, WalMart would be able to muscle their way into every community within the banking sector.

If WalMart were allowed to venture into this business sector, the eminent result would set up gross conflicts of interest, and jeopardize our communities by literally cutting off small business funding and support that our communities so desperately need and of which they have rightfully received. Our community banks need to be able to focus on development of our communities. Our banks do not need to be obliterated by the choking effect that WalMart has been so efficiently able to achieve.

Do you really think for a moment that WalMart will look at every small business or customer in a completely unbiased manner once they have set up footings to control the financial arteries? I envision a massive bloodletting once this has come to fruition.

Respectfully,

  
Tim Woodall  
Vice-President

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September 13, 2005

Mr. Johns F. Carter, Director  
Federal Deposit Insurance Corporation  
San Francisco Regional Office  
25 Jessie Street at Ecker Square-Suite 2300  
San Francisco, CA 94105

Dear Mr. Carter:

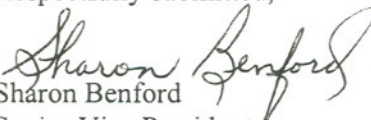
I am writing to express concern regarding Wal-Mart's application for deposit insurance for its pending Utah based ILC.

Wal-Mart is a retail business and should it cross over into the banking arena, it could jeopardize the impartial allocation of credit and create conflicts of interest. Wal-Mart is responsible for closing the doors of many small businesses, and they would have that same advantage over local community banks throughout the nation. They could monopolize local banking choices. What banking options would that leave individuals in those communities?

Most local banks make credit available to low-income and local businesses using local banks, which recycle their deposits back into their community. Wal-Mart has a history of de-stabilizing communities. With its vast resources, it could drive out community banks like it has driven out community grocery stores, pharmacies, and hardware stores. The systemic risk posed by a Wal-Mart bank would be enormous. Wal-Mart already controls 8% of the non-restaurant, non-automotive sales in the U.S. A Wal-Mart Bank in every Wal-Mart store would create such an unprecedented concentration of economic power!

Please consider the repercussions that would result should Wal-Mart be granted **banking** privileges. It could truly mean the destabilizing of many communities.

Respectfully submitted,

  
Sharon Benford  
Senior Vice President

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Honorable Johns F. Carter  
Regional Director  
FDIC San Francisco Regional Office  
Honorable Johns F. Carter  
25 Jessie Street at Ecker Square, Suite 2300  
San Francisco, CA 94105

September 12, 2005

Dear Mr. Carter,

I would like to take this opportunity to express my personal point of view and more importantly my concern with Wal-Mart's pending application for deposit insurance for its pending Utah based ILC.

Many people and community members have seen, or felt the effect that Wal-Mart has on small businesses. Wal-Mart has had positive effects on a community through employment opportunities, but has also had many negative effects as well. For example: Wal-Mart stores have hurt small businesses for years, whether it has been the local hardware stores, pharmacies, or grocery stores that it has put out of business, local merchants have dealt with the setbacks for several years now and I fear that community banks would be next.

I believe that it is extremely important that Wal-Mart stays out of the banking industry because of the conflict of interest that arises when banking and commerce mix. Congress stated its opposition to the mixture of banking and commerce in the Gramm-Leach-Bliley Act. Wal-Mart has the resources to pick and choose who their suppliers will be and who they will do business with; I could only imagine that these suppliers would have to be a customer of the "Wal-Mart Bank."

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September 12, 2005

Wal-Mart, simply stated, hurts small businesses and would have a much stronger impact on community banks because of their vast resources. Wal-Mart, over the years, has shown little regard for small business, and I feel that if allowed to enter the banking industry we might see the small community banks become a thing of the past.

I strongly suggest that Wal-Mart's application for deposit insurance for its pending Utah based ILC be denied.

Thank you,

Darren J. Brown

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Director Johns F. Carter  
FDIC San Francisco Regional Office  
25 Jessie Street at Ecker Square  
Suite 2300  
San Francisco, California 94105

September 13, 2005

RE: Wal-Mart's ILC Charter Application

Dir. Carter:

I am deeply concerned with Wal-Mart's recent application to the FDIC to become a chartered ILC to handle their own credit card transactions. I understand that Wal-Mart claims that it has no interest in the commercial lending side of banking. I have a hard time believing this statement. But I ask you, if Sam Walton would have been asked early in his career if Wal-Mart had any plans of being the largest retailer in the world, what would he have said? If this application is granted, it could mean serious consequences to the banking industry and unfair advantages to the applying party.

If Wal-Mart Bank receives their charter, they could gain an unfair advantage in a highly competitive industry. The banking industry operates each day on the fact that every bank has the same products to offer each customer. The only differentiated product available is the value-added service that goes hand-in-hand with these products. However, Wal-Mart Bank would have an additional degree of leverage over their customers that other banks would not. This leverage could create pressure on suppliers who are eager to gain the opportunity to have Wal-Mart as a customer. By requiring potential suppliers to use their banking services before being considered as a supplier, Wal-Mart would gain an advantage that First State Bank of Joplin, and many other banks, could not gain.

Wal-Mart Bank has a high probability to not be a fair lending party. For example, a local competitor of Wal-Mart comes to their bank to request a loan that could provide an opportunity for the competitor to advance its market share against Wal-Mart. Is there an incentive for Wal-Mart to reject that request of funds? Yes, I believe that there is a significant possibility that Wal-Mart will not judge that credit fairly.

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Wal-Mart's market share stretches its fingers into every corner across the globe. Allowing Wal-Mart to put banking centers in all of their facilities will shift the banking industry's structure. Small, community banks will be driven out by a competitor that was invisible to them until now. Even mid-sized to large banks would feel the quake created by the addition of numerous banking centers. There is an endless possibility of the number of new banking centers that could storm the market in a short period of time.

These consequences and advantages could send the banking industry to an undesired condition. I encourage the FDIC to deny this application. Realize that the potential problems could be disastrous. The "retail giant" should remain just that, a "retail giant" and not the "banking baron".

Sincerely,

Josh Tupper

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